



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

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TWENTY INDICTED ON FEDERAL FRAUD AND MONEY LAUNDERING CHARGES

United States Attorney Johnny Sutton announced that a federal grand jury in Austin, Texas, returned a 16-count indictment yesterday afternoon against 20 Austin-area residents, including Firooz Deljavan, owner and operator of Austin Realtors Network, Inc., charging them with participating in a fraud and money laundering scheme that defrauded federally insured financial institutions and mortgage lenders of more than \$15 million.

According to the indictment (Case # A-04-CR-251 LY), from March 27, 2001 to January 23, 2004, the defendants instituted a real estate flip-for-profit scheme where various properties in Central Texas were bought at or near market value, then sold thereafter to normally unqualified buyers at an artificially inflated price. By doing so, the defendants collected large sums of cash while fraudulently inducing lenders into funding the real estate loans based upon materially false statements, representations and promises provided by the defendants. The defendants knowingly placed the lenders at risk of financial loss for funding unqualified or untruthful borrowers, thus jeopardizing the lender's financial investment in an overvalued real estate asset.

"These defendants abused their positions of trust by perpetrating a massive fraud on unsuspecting Texas banks and other innocent victims," stated United States Attorney Johnny Sutton. "The victims in this case were ripped off for millions of dollars and we intend to hold the perpetrators accountable for their crimes."

"This case highlights what good law enforcement teamwork can do. TIGTA's work to protect our nation's tax system and close coordination with other law enforcement agencies helped us bring some very sophisticated bad guys to justice. In our mission to root out corruption from within the IRS we've rarely encountered a case of this magnitude. We're proud that our proactive program helped to quickly identify and neutralize the threat," stated Special Agent in Charge Dan Parfitt, Department of Treasury Inspector General for Tax Administration.

"Money laundering is not a victimless crime; the allegations in this indictment involve acts of incredible greed and financial harm to many victims chief among them are federally insured Financial institutions," stated Martin J. Sheil, Acting Special Agent in Charge, IRS-Criminal Investigation Division. "This is one of the biggest and most complex cases we have seen in some time. IRS-CID Special Agents, working jointly with the U.S. Attorney's Office and other agencies, made productive use of their noted financial investigative expertise to uncover egregious levels of fraud in order to bring these culprits to justice."

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Firooz Deljavan, et al. indictment

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“The U.S. Postal Inspection Service is committed to protecting businesses and consumers from being defrauded through the use of the mail,” stated Danny Cortez, Inspector in Charge, United States Postal Inspection Service, Fort Worth.

Charged in the indictment include: Firooz Deljavan; his wife, Rosemary Rios; attorney William Allan Craig, III; Thomas Martin Henry, owner of Guardian Mortgage Services, Inc. (GMS); Mark Douglas Kissner, Vice President of GMS; Stacey L. Leifheit, a GMS loan processing agent; real estate broker Mohammad H. Gharbi; his daughter, Maryam Gharbi, a real estate agent; John Ogilbee, a real estate appraiser trainee; Kato Sherman, Jr., President of KSJ & Co. and a real estate appraiser; Firooz’ brother, Behrouz Deljavan; Donald C. King, a GMS client; Michael R. Persinger, a GMS client; Scott B. Ringgenberg, Firooz’ brother-in-law; Helen Rios Ringgenberg, Rosemary Rios’ sister; Matthew C. Nagy, a GMS client; Ramin Masoumi, a GMS client; Kenneth W. Hudson, a GMS client; Majid Rashidi, a GMS client; and, Mehdi Haghshenas, a GMS client.

If convicted, each defendant faces up to 30 years in federal prison. This case is the result of an investigation by the Federal Bureau of Investigation, Internal Revenue Service - Criminal Investigations, U.S. Postal Inspectors and the Department of Treasury Inspector General for Tax Administration. Assistant United States Attorney Gerald C. Carruth is prosecuting the case for the government.

An indictment is a formal accusation of criminal conduct, not evidence of guilt. Defendants are presumed innocent unless and until convicted through due process of law.

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